

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 17659
[REDACTED] Petitioners.)	
)	DECISION
)	
)	

On August 15, 2003, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers), proposing income tax, penalty, and interest for taxable year 2001 in the amount of \$15,278.

The taxpayers filed a timely protest. They did not request a hearing but did submit additional information. The Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

The taxpayers failed to file an Idaho individual income tax return for tax year 2001 even though they satisfied the filing requirements stated in Idaho Code § 63-3030. [Redacted] Idaho Code § 63-3045 (1)(a) states:

63-3045. Notice of redetermination or deficiency -- Interest.
(1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

Because the taxpayers did not file their 2001 state income tax return, the Bureau prepared a return on their behalf and sent them a deficiency notice. [Redacted] No withholding was identified in Tax Commission records.

The taxpayers responded with a letter of protest that they both signed. That letter dated October 15, 2003, said the adjusted gross income on line one of the determination was incorrect because their 2002 income was only \$4,000. They said they were, “working with a tax professional” and asked to have the file held to allow them time to have the return prepared and sent.

The Bureau sent the taxpayers a letter acknowledging their protest and advising them their file would be held in the Discovery Bureau until November 3, 2003. When the Bureau did not receive the return by November 7, 2003, the Bureau sent an additional letter to the taxpayers to advise them the file would be held only for 15 more days. No response was received and the taxpayers’ file was transferred to the Legal/Tax Policy Division of the Tax Commission for administrative review.

The Tax Appeals Specialist sent the taxpayers a letter advising them of their appeal rights. The letter dated December 12, 2003, also put the taxpayers on notice that the Tax Commission would issue a decision based on the contents of their file if a response was not received within 30 days. The taxpayers did not respond in any way.

The taxpayers met the requirements for filing an Idaho income tax return for 2001; yet they have not filed their Idaho return. The taxpayers’ income information obtained from [Redacted] the Idaho Department of Labor (DOL) shows the taxpayers received wages in the total amount of \$52,216, dividend income of \$18, income [Redacted] in the total amount of \$114,943, and miscellaneous income shown in DOL records of \$1,050.

The Tax Commission recognizes the taxpayers may have a basis in the income they received as a result of one or more real property sales. However, with no information from the taxpayers, the Tax Commission is left with little choice but to take the income at face value. Additionally, the taxpayers may have had withholding that has not been recognized. However, Tax Commission records do not contain evidence that [Redacted] 2001 employer, withheld Idaho income tax from his pay.

The taxpayers' Idaho income tax responsibility was computed allowing the taxpayers two exemptions, the standard deductions and two grocery credits. Nothing has been submitted that would cast doubt on the Bureau's determination. The penalty and interest additions were calculated in conformity with Idaho Code §§ 63-3045 and 63-3046.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no information in support of their argument, the taxpayers have failed to meet their burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

WHEREFORE, the Notice of Deficiency Determination dated August 15, 2003, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty, and interest for 2001:

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$11,396	\$2,849	\$1,279	\$15,524

Interest is computed through March 15, 2004.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of taxpayers' right to appeal this decision is enclosed with this decision.

DATED this _____ day of _____, 2004.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE BY MAIL

I hereby certify that I have on this _____ day of _____, 2004, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]
[REDACTED]

Receipt No.
